

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS

SUPERIOR COURT

99-E-0410

IN THE MATTER OF THE LIQUIDATION OF
TUFTS HEALTH PLAN OF NEW ENGLAND, INC.

**MOTION FOR ORDER ESTABLISHING
NOTICE PROCEDURES AND HEARING
ON APPROVAL OF PLAN OF LIQUIDATION,
FUNDING AND SETTLEMENT AGREEMENT,
AND RELATED AGREEMENTS AND DOCUMENTS**

Paula T. Rogers, Commissioner of the Department of Insurance of the State of New Hampshire, solely in her capacity as the Liquidator of Tufts Health Plan of New England, Inc., (the “Liquidator”), by her attorneys, moves for the entry of an order establishing notice procedures and a hearing date in connection with her motion (the “Approval Motion”) for approval of the Plan of Liquidation (the “Plan of Liquidation”), and a certain Funding and Settlement Agreement dated as of November 14, 2000 (the “Funding and Settlement Agreement”), including all other documents and agreements attached to and incorporated into the Funding and Settlement Agreement, all of which are filed contemporaneously herewith. In support of her motion, the Liquidator states as follows:

1. As set forth more fully in the Approval Motion, the Liquidator was appointed by order of this court on January 3, 2000, to liquidate the assets of, and administer claims against, Tufts Health Plan of New England, Inc. (“TNE”). In the Approval Motion, the Liquidator seeks authority to consummate and implement a comprehensive settlement with TNE’s parent and affiliated companies (collectively “THP”) and TNE’s largest creditor, Bath Iron Works

Corporation (“BIW”), in order to efficiently administer the claims of, and provide distributions to, TNE’s members, subscribers, policyholders and other creditors.

2. Prior to the commencement of this proceeding, TNE had over 150,000 subscribers. To date, approximately twenty parties have obtained leave of this court to intervene in this proceeding, and the Liquidator has received approximately 6,500 proofs of claims against TNE. The Liquidator has posted many pleadings filed in this proceeding, including her interim reports to this court, on the web site of the New Hampshire Insurance Department (www.state.nh.us/insurance), and has conducted numerous public meetings and released numerous news bulletins in an effort to keep the holders of claims against TNE informed of the status and progress of this proceeding.

3. The Plan of Liquidation, the Funding and Settlement Agreement, and the Approval Motion together comprise over seventy pages, all of which will be duly served on all counsel of record in this proceeding. While the Liquidator desires to provide notice of the Approval Motion, including the hearing thereon and the date for filing responses thereto, to all 6,500 claimants against TNE, she estimates that the cost of photocopying and mailing a complete set of those documents to all holders of claims against TNE would range between \$16,000 and \$17,000, and would entail approximately two weeks from the time this court’s order setting a hearing on the Approval Motion became available.

4. As an alternative thereto, the Liquidator proposes to mail a copy of the order approving this motion and establishing notice procedures, in the form submitted herewith, to all claimants who have filed proofs of claims against TNE at the addresses shown on their respective proofs of claims. In addition, the Liquidator will post a copy of the order, the Approval Motion, the Plan of Liquidation and the Funding and Settlement Agreement on the

web site of the New Hampshire Insurance Department, and will mail a copy of the foregoing to all claimants who so request one, which request may be made in writing, or by telephone at 1-888-766-9816, Mondays through Fridays from 8:30 am to 5 pm. The Liquidator believes that this notice procedure will afford all claimants fair and adequate notice of the hearing on the Approval Motion and the deadline for filing any responses thereto, without the attendant costs and potential delay associated with a mass mailing, particularly in light of the requirement that the order sought by the Liquidator in the Approval Motion must become final and no longer subject to appeal before the Plan of Liquidation and the Funding and Settlement Agreement can be implemented and distributions on claims thereunder can commence.

5. The Liquidator requests that the court approve this manner of notice and schedule a hearing on the Approval Motion, and set a deadline by which responses must be filed and served upon the parties of record that will allow a period of at least seven days between the response deadline and the hearing on the Approval Motion.

WHEREFORE, the Liquidator requests that this court enter an order (1) approving the notice procedures set forth herein as fair and adequate under the circumstances of this proceeding; (2) schedule a hearing on the Approval Motion; (3) establish a deadline by which any and all response to the Approval Motion must be filed with this court and served upon counsel of record in this proceeding; and (4) granting the Liquidator such other and further relief as is just and equitable.

Dated: November 21, 2000

Respectfully submitted,

PAULA T. ROGERS,
COMMISSIONER OF INSURANCE OF THE
STATE OF NEW HAMPSHIRE,
AS LIQUIDATOR OF TUFTS HEALTH
PLAN OF NEW ENGLAND, INC.

By her attorneys,

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